

# Model Revolving Loan Fund (RLF) Programs Spring 2023 Webinar Series

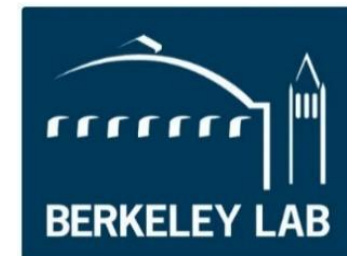
March 29, 2023

*Residential Financing Programs with Nebraska and New York*



**SCEP**

STATE & COMMUNITY ENERGY PROGRAMS



# Agenda

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## **1. Housekeeping, Updates, and Reminders**

## **2. Featured Presentations**

- **Nebraska: Dollar and Energy Saving Loans Program**
- **New York: Green Jobs, Green New York**

## **3. Facilitated Q&A with Berkeley Lab**

# Housekeeping, Upcoming Webinars, and RLF Program Reminders

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## Upcoming Webinars in Model RLF Program Webinar Series

- **April 19** (Part 5) – Commercial Retrofit Financing with Minnesota

## Reminders:

- **\*\*New\*\* Application Deadline:** Due May 26, 2023
- **Resource:** RLF Frequently Asked Questions (circulated on March 8, 2023)

## Questions?

- Contact your SEP Project Officer or [EERevolvingLoanFund@ee.doe.gov](mailto:EERevolvingLoanFund@ee.doe.gov)





# Nebraska Department of Environment and Energy

*Dollar and Energy Saving Loan Program*



# The Nebraska Dollar and Energy Saving Loan Program



Co-Lending Model  
and Development



Program  
Requirements &  
Process Overview



Benefits to  
Nebraska Residents  
and Lenders



Stats & Notable  
Projects

# Program Inception

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Nebraska's energy loan program was initially capitalized in 1990 with \$10M in Oil Overcharge Funds.

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Augmented with American Recovery and Reinvestment Act Funds, and is continually re-charged with loan repayments from borrowers.

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Residential, farm and ranch, small business and local government demonstration loan program.

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The Nebraska Bankers Association helped advise on program development and coordination of initial outreach to lenders.

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Currently ~\$50M funds in revolving loan pool.

# Lender Eligibility and Recruitment



State Nebraska Bank & Trust. Wayne, NE

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Lenders must be a Nebraska chartered bank, savings institution or credit union.

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Over 290 lenders are eligible to participate in the program.

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Must follow current rates, terms, and eligible loan fees, rates at 5% or less.

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Must follow own guidelines and treat loan as any other loan.

## Loan Details

Loans are made to Residential, Commercial, and Local Government for Building Improvements, Lighting Retrofits, Alternative Energy, and Alternative Fuel; DIY Projects with Technical Analysis is an option.

Participation Rates:  
65% at 0-3.5% interest,  
50% at 3.6-5% interest,  
90% at 1% interest for public schools, and  
85% at 1.5% for NPPD customers with qualifying heat pumps.

Borrower Maximums for Home, Building or System Energy Improvements  
\$125,000 - \$500,000;  
typical terms are 5 to 15 years, project dependent.

Energy Efficient Housing loans follow the FHFA Conforming Loan Limits, \$726.2K for 2023.



# DESL Process Overview

## Selection

Borrower selects bid, equipment and lender. Works with contractor to complete applications.

## Eligibility

Lender uses own underwriting process to determine eligibility  
Sends loan packet to NDEE

## Commitment and Review

NDEE reviews documents, project and equipment. Commits funds to the project proposal.

## Project Completion

Contractor begins installation of proposed project. Submits any changes in cost or equipment. Submits invoice upon completion

## Closing and Participation

Lender closes loan, submits all closing documents to NDEE for final review and disbursement

# Project Requirements

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Borrower must be a Nebraska resident and property or operation must be located in Nebraska.

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Borrower must be approved for a loan from a Nebraska chartered bank, credit union, or savings institution.

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Equipment must meet or exceed the minimum project specific requirements.

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May not contract or begin improvements until NDEE has approved the plans.

# Technical Requirements

## WINDOWS

- NFRC Certified, above code EER

## HVAC

- AHRI Certified, above code EER

## SOLAR MODULES

- Approved UL Fire Rating

## APPLIANCES

- Energy Star Certified

## Form Examples

Dollar and Energy Saving Loans  
Commitment Agreement\*  
To Be Completed By LenderFORM  
10

This Commitment Agreement, dated the last date written below, is made between the Nebraska Department of Environment and Energy (NDEE) and \_\_\_\_\_ of \_\_\_\_\_, Nebraska (LENDER).

It is hereby agreed that:

The LENDER is a Nebraska bank, savings institution or credit union and will service the approved loan through one of its offices located in the State of Nebraska. The LENDER has approved an extension of credit, subject to NDEE's commitment of funds, in the amount of \$ \_\_\_\_\_ to:

Name of Borrower \_\_\_\_\_

Address of Borrower \_\_\_\_\_

BORROWER, under the terms and conditions outlined in the Preliminary Loan Summary, which is made a part hereof by reference and said extension of credit is eligible under the Dollar and Energy Saving Loan Program.

NDEE will participate in the loan when approved by purchasing \_\_\_\_\_% of the loan amount from the LENDER provided the terms and conditions set forth in the Preliminary Loan Summary are the same or if changes have been made, the changes have not affected the eligibility of the loan under the program.

The LENDER will provide NDEE with a copy of the signed promissory note evidencing the final amount loaned on the approved extension of credit once it is signed along with the completed Final Loan Summary and Participation Agreement.

The loan closing date will be no later than 6 months following NDEE's commitment on a Dollar and Energy Saving Loan.

The LENDER will ensure that the approved project is completed within the time frame specified in the current program guidelines for the loan type, which is one month prior to the loan closing date, and if it is not, provide written reason to NDEE for the delay and request an extension of time for project completion.

The LENDER will verify the improvement(s) or replacement(s) made by the BORROWER either through a physical inspection or proof of purchase, and verify any appliance which is to be replaced is either discarded or traded-in at the time of the new purchase.

The LENDER certifies that if the approved extension of credit eligible for a Dollar and Energy Saving Loan is less than 100% of the total eligible cost of the project, it was at the BORROWER'S request and not mandated by the LENDER.

The LENDER certifies that the approved extension of credit eligible for a Dollar and Energy Saving Loan will be only for the cost of the project, not for labor to be provided by the BORROWER.

If applicable, the LENDER has received from the BORROWER two other bids or a cost of goods or services the borrower proposes to have supplied by an electric or natural gas utility, where the same utility has provided the BORROWER with the energy calculations supporting the improvements or replacements which are or will be made with the proceeds of the extension of credit.

The LENDER certifies that the approved extension of credit will be a new loan, not a refinancing of an existing debt or the financing of work completed or replacements made prior to NDEE's commitment unless it is a refinancing of a previously approved loan under the program or an emergency HVAC system replacement which has received prior NDEE approval.

The LENDER will charge the BORROWER only fees associated with the recovery of LENDER'S actual out-of-pocket expenses incurred to a non-affiliated third party in processing the loan and will not charge any discount points or fees for LENDER'S indirect or overhead costs, unless specifically authorized under the current program guidelines promulgated by NDEE.

The LENDER will make available to NDEE for review, during its ordinary business hours, the BORROWER'S loan file as it relates to this approved extension of credit and will arrange with the BORROWER for NDEE staff to make an on-site inspection, should NDEE deem necessary while this commitment of funding is in place.

The LENDER will report on the status of its outstanding Dollar and Energy Saving Loans which have gone past the stated loan closing date, upon NDEE's request.

The LENDER will notify NDEE in writing within 5 working days should the LENDER terminate the extension of credit covered by this Commitment Agreement or within like period once a determination has been made on the necessity of extending the loan closing date.

No employee of NDEE shall participate in any decision relating to the agreement which affects his or her personal interest or the interest of any corporation, partnership or association in which he or she is indirectly interested or have any interest, direct or indirect, in the agreement or the proceeds thereof.

Any amendments to this Agreement shall be in writing, and shall be executed by the same parties who executed the original Agreement or successor in office.

If a court holds that any term of this Agreement is invalid, that holding shall not affect the other terms, which shall remain in full force and effect.

The promises and conditions herein contained shall bind, and benefits and powers shall inure to the respective successor of the parties. Wherever used herein, the singular number shall include the plural, the plural the singular, and the words LENDER and NDEE will include any payee thereof, whether by operation of law or otherwise.

In witness whereof, the parties have caused this Agreement to be executed as of the last date written below.

Name of Lender \_\_\_\_\_ Nebraska Department of Environment and Energy

Mailing Address \_\_\_\_\_

Authorized Signature \_\_\_\_\_

Typed or Printed Name \_\_\_\_\_ by \_\_\_\_\_

Title \_\_\_\_\_ Title \_\_\_\_\_

Date Signed \_\_\_\_\_ Date \_\_\_\_\_

Lender Federal Taxpayer # \_\_\_\_\_

Submit To: Nebraska Department of Environment and Energy

[energy@nebraska.gov](mailto:energy@nebraska.gov)

PO Box 98522 Lincoln, NE 68595

\*The Nebraska Department of Environment and Energy reserves the right to refuse to commit funds on a Dollar and Energy Saving Loan Application and will notify the LENDER in writing as to the reason(s).

NEO 3/29/90 Rev. 5-10-92  
Supersedes NEO 3/29/90 Rev. 1-10-97

Nebraska Department of Environment and Energy Dollar and Energy Saving Loans  
Door, Window, Wall and Ceiling Projects ApplicationFORM  
2

Please Complete All Applicable Sections, Including The Description

PAGE 1 OF 2

Name	Mailing Address	Building Age (Yr)
Type(s) of Improvement(s)	Description of Improvement(s)	Estimated Cost
1 <input type="checkbox"/> Add Weatherstripping and/or Threshold to Door	Total Feet of Weatherstripping and/or Feet of Threshold Needed:	\$
2 <input type="checkbox"/> Add Weatherstripping to Window	Total Feet of Weatherstripping Needed:	\$
3 <input type="checkbox"/> Repair Broken Window, Missing Glass or Window Sash	List Dimensions and Number of Each Pane and/or Sash:	\$
4 <input type="checkbox"/> Replace Window or Door With Insulated Panel or Solid Wall (Minimum R-13.0)	List Dimensions, Number of Each Size and R-Value:	\$
5 <input type="checkbox"/> Install Reflective Window or Glass Door Film	List Dimensions and Number of Windows or Glass Doors:	\$
6 <input type="checkbox"/> Install Storm Window or Storm Door	List Manufacturer, Dimensions and Number of Each Window or Door and Size:	\$
7 <input type="checkbox"/> Replace Skylight with new Unit	List Manufacturer, Dimensions and Number of Each Size: Provide Documentation That Each New Skylight Meets Program Requirements	\$
8 <input type="checkbox"/> Replace Window or Glass Door With New Unit (See Requirements on Form 2.3 Window/Door)	List Manufacturer(s), Style(s) and Quantity of Each Style. (Attach Completed Form 2.3 Window/Door and Documentation That Each New Window or Glass Door Meets Program Requirements.)	\$
9 <input type="checkbox"/> Replace Door With New Door (See requirements on Form 2.3 Window/Door)	List Manufacturer(s), Style(s) and Quantity of Each Style. (Attach Completed Form 2.3 Window/Door and Documentation That Each New Door Meets Program Requirements.)	\$
10 <input type="checkbox"/> Insulate Exterior Wood/Metal Frame Wall Cavity (Add Minimum R-10.0)	List Square Feet, R-Value, Type and Brand:	\$
11 <input type="checkbox"/> Insulate Masonry Wall (Add Minimum R-5.0)	List Square Feet, R-Value, Type and Brand:	\$
12 <input type="checkbox"/> Insulate Exterior Wood/Metal Frame or Masonry Wall and Install Siding	List Square Feet and R-Value. (Attach Completed Form 2.2 Siding and Use Total from Line 11 on Form 2 Siding for Estimated Cost)	\$
13 <input type="checkbox"/> Insulate Floor Over Unheated Space (Add Minimum R-19.0)	List Square Feet, R-Value, Type and Brand:	\$
14 <input type="checkbox"/> Insulate Band Joist — Space Between Basement Wall & Frame Wall (Add Minimum R-10.0)	List Linear Feet, R-Value, Type and Brand:	\$
15 <input type="checkbox"/> Insulate Slab Edge — Outside Edge of Concrete Floor Slab (Add Minimum R-5.0)	List Linear Feet, R-Value, Type and Brand:	\$
16 <input type="checkbox"/> Add Attic or Ceiling Insulation to Existing Insulation (Add Minimum R-Value, Repair or Replace Roof or add Solar Shingles if Needed)	List Square Feet and R-Value, Type and Brand of Insulation and Number of Vents Added: If Roof Repair or Solar Shingles are Part of the Project, Attach Completed Form 2 Roofing and Show Total Installed Cost at Right:	\$
17 <input type="checkbox"/> Insulate Attic or Ceiling Where Insulation is Missing or Has Been Removed or Where There is None. Add Minimum R-49.0 (Repair or Replace Roof or add Solar Shingles if Needed)	List Square Feet, R-Value, Type and Brand of Insulation and Number of Vents Added: If Roof Repair or Solar Shingles are Part of the Project, Attach Completed Form 2 Roofing and Show Total Installed Cost at Right:	\$
18 <input type="checkbox"/> Install New Roof (Metal With Appropriate Pigmented Coating or Asphalt Roof With Appropriate Cooling Granules Meeting ENERGY STAR Requirements and Bring Ceiling Insulation Up to R-49.)	List Square Feet of New Roof and R-Value of Existing Attic/Ceiling Insulation: Describe Roofing Material and Type, Brand and R-Value of Insulation and Number of Vents Being Added, If Any:	\$
19 <input type="checkbox"/> Seal Air Leaks in Building Walls, Floors, Ceilings or Roofs and Around or Through Doors or Windows	List Square Feet, R-Value, Type and Brand of Insulation and Number of Vents Added:	\$

TOTAL OF LINES 1 THROUGH 19

\$

NEO 05-07-90 Rev. 05-13-21  
Supersedes NEO 05-07-90 Rev. 05-07-18



# Benefits to the Borrower



LOW-INTEREST  
FINANCING



HIGHLY EFFICIENT  
EQUIPMENT



ENERGY  
EFFICIENT HOME



SAVINGS ON  
ENERGY BILLS

# Benefits to the Lender

No Interest  
Paid to NDEE

Lower  
Investment,  
Higher Yield

Own  
Underwriting  
Determinations

Options to Stay  
Competitive

# DESL Loan & Project Totals

29,928

Total  
Loans

30,663

Total  
Projects

\$385.5M

Project  
Total

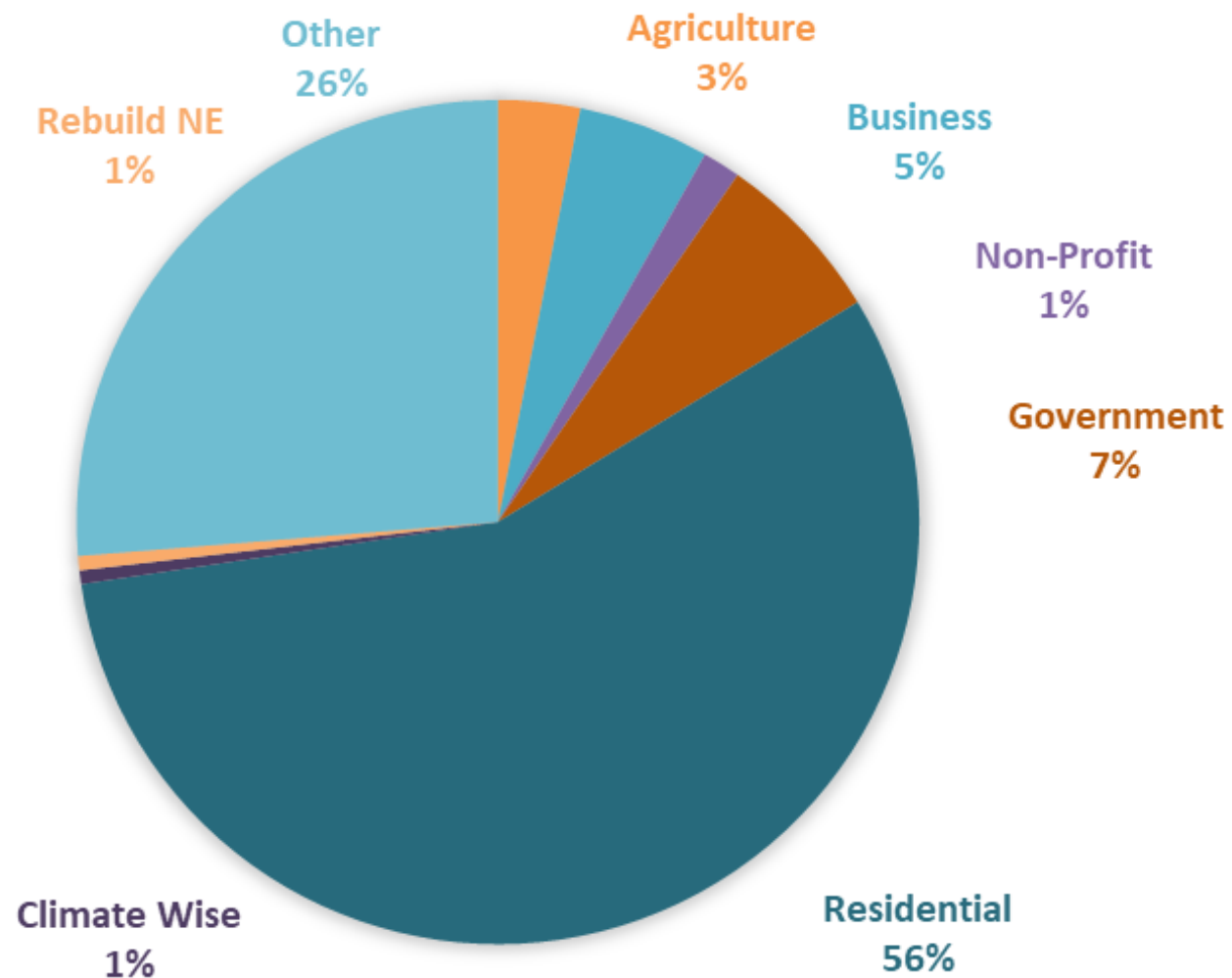
\$139.4M

Lender  
Amount

\$192.7M

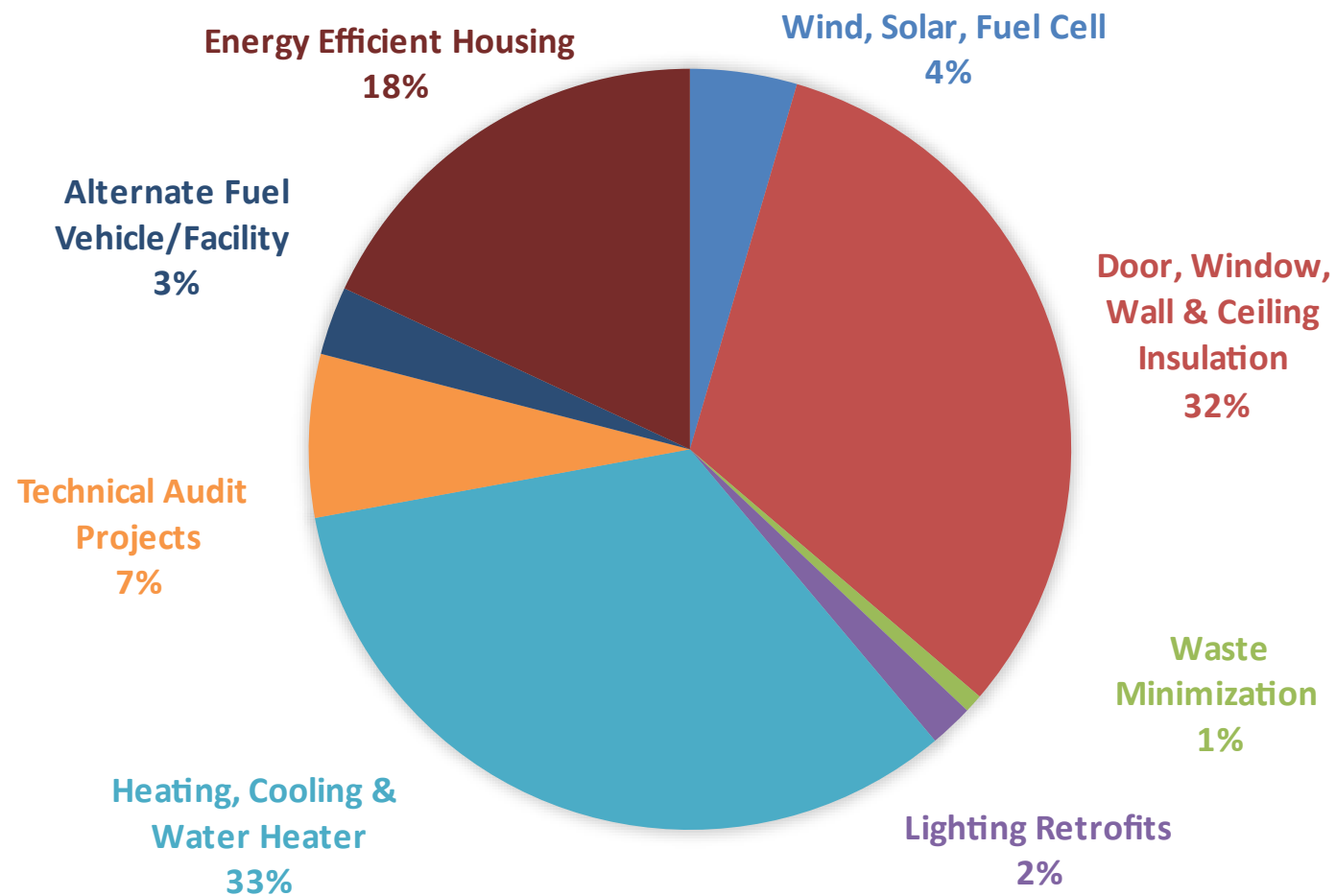
NDEE  
Contribution

## PROJECTS BY SECTOR





## PROJECTS BY TYPE



# Environmental Impact Estimations

- 14.1M Elec Kwh
- 5.2M NG Therms
- \$104.8M PDV Total Energy Savings

Annual Usage Savings



- \$365.9M Output
- \$218.2M Value-Added
- \$162.3M Labor Income

PDV Economic Impact



- 1.4B Lbs. CO2
- 1.1M Lbs. SO2
- 1.5M Lbs. NOx
- 19K Lbs. PM2.5
- 42K Lbs. VOC
- 30K Lbs. PM10
- \$92.6M PDV Totals

Emissions Reductions



# Project Examples



**Upper Left:** Lincoln Non-Profit, City Impact \$57.8K Lighting Retrofit (2021); **Upper Right:** 4 Seasons Farms, LLC, 16kW PV System (2021); **Lower Left:** Maywood Public Schools, \$1.17M HVAC Project (2021); **Lower Right:** Wakefield Community School, \$189K Lighting Retrofit (2021)

# Contact Information

## Nebraska Department of Environment and Energy

[NEO.ENERGY@Nebraska.gov](mailto:NEO.ENERGY@Nebraska.gov)

402.471.2186

Aaron Miller, *Energy Loan and Planning Section Supervisor*

[Aaron.Miller@Nebraska.gov](mailto:Aaron.Miller@Nebraska.gov)

402.471.2817

Shawna Orth, *Loan Program Coordinator*

[Shawna.Orth@Nebraska.gov](mailto:Shawna.Orth@Nebraska.gov)

402.471.4282



# Green Jobs-Green New York (GJGNY) Residential Financing Program

Residential Financing Team – March 2023



# GJGNY Residential Financing Program

- Legislation passed in 2009 creating the GJGNY Loan Fund
- First loan issued in December of 2010
- Legislation amended in 2011 to allow for On-Bill Recovery
- Funded with Regional Greenhouse Gas Initiative money, bond proceeds, participation sales and loan repayments
  - Issued 1<sup>st</sup> bond securitization in 2013 with guarantee from Clean Water State Revolving Fund
  - Total of 8 bond issuances as of 2022
- No Federal funding received for this program

# GJGNY Residential Financing Program

- All loans must have energy audit/assessment
  - Audits completed by approved contractors meeting specific qualifications for PV and EE
  - ASHP & GSHP – audit is the Manual J
- Legislation requires cost effectiveness criteria
- Loans can only be accessed by customer if contractor is approved through NYSERDA programs or utilities.

# Loan Terms and Conditions

- **Unsecured**
- **Available for 1 to 4 Residential units**
- **Interest Rates**
  - > OBR Loans 3.49%/6.99%
  - > Smart Energy Loans 3.99%/7.49% (.5% discount applied if using ACH)
  - > Bridge and Companion Loans 6.49%/6.99%
- **Loan Amount**
  - > Minimum \$1,500
  - > Up to \$13,000 (up to \$25,000 if the simple payback is less than 15 years)
- **Loan Terms**
  - > Bridge Loans: 2 years
  - > OBR, SE and Companion Loans: 5, 10, 15 years (term may not exceed expected useful life of improvements)
  - > No prepayment penalties

# Loan Products:

## Smart Energy Loan

- Borrower is billed monthly or makes payment with automatic bank withdrawal (ACH)
- Borrower must own, rent or manage the residential building to qualify
- Borrower must sign note with NYSERDA's loan originator Slipstream/EFS
- If home is sold or transferred, borrower is responsible for balance of loan (not assignable or transferable)
- Cost effective requirements:
  - > Pre-qualified eligible measures are at least 85% of the total loan amount
  - OR
  - > Estimated energy cost savings over the anticipated life of improvements must be at least 80% of the total principal and interest of the loan (SIR .8)
  - > Loans \$13,000+ must meet 15-year simple payback calculation
- Loan is subject to late payment fees (5% or \$5.00) and collection fees



# Loan Products:

## On-Bill Recovery (OBR) Loan

- Borrower repays loan through a charge on his/her electric/gas utility bill
- Borrower must own the home and be named on the utility account
- Borrower must sign note with NYSERDA's loan originator Slipstream (EFS)
- Borrower must sign an OBR Program Declaration
- If home is sold or transferred, borrower is responsible for providing notice to purchaser and can transfer the remaining payments to the new utility account holder
- Cost effective requirements:
  - > Monthly payment may not exceed 1/12th of the estimated average annual energy cost savings from improvements over term of loan
  - > Loans \$13,000+ must meet 15-year simple payback calculation
- Non-payment of OBR loan can result in termination of utility service

# Loan Products:

## Renewable Energy Tax Credit Bridge Loan

- Short term loan to finance costs that may be eligible for federal, state tax credits or NYC Real Property Tax Abatement
- 2-year term with balloon payment (principal and interest) due at maturity
- Borrower must own, rent or manage the residential building to qualify
- Borrower must sign note with NYSERDA's loan originator Slipstream/EFS
- If home is sold or transferred, borrower is responsible for balance of loan (not assignable or transferable)
- Can be paired with GJGNY Term Loan (Smart Energy or OBR) and Companion Loan
- Loan is subject to late payment fees (\$25/month) and collection fees

# Loan Products:

## Companion Loan

- Borrower is billed monthly or makes payment with automatic bank withdrawal (ACH)
- Borrower must own, rent or manage the residential building to qualify
- Borrower must sign note with NYSERDA's loan originator Slipstream (EFS)
- If home is sold or transferred, borrower is responsible for balance of loan (not assignable or transferable)
- Borrower must fully utilize GJGNY Loan (and close both loans at the same time)
- Companion and GJGNY Loan do not have to have same loan term

# Loan Underwriting Criteria

UNDERWRITING CRITERIA		
	Tier 1 Loans	Tier 2 Loans
Minimum FICO score	640	540
Max Debt-to-Income Ratio	50% for FICO 640-719 No limit for FICO 720+	40% if FICO 540-599 45% if FICO 600-639 50% if FICO 640-679 60% if FICO 680-719 No limit if FICO 720+
Mortgage payment history	None	As reported on the credit report, current on all mortgage payments for the past 12 months. No mortgage payments more than 60 days late during the past 24 months.
Bankruptcy	No bankruptcy, foreclosure, or repossession within last 7 years	No bankruptcy, foreclosure, or repossession within last 2 years
Judgments	No combined outstanding collections, judgments, charge-offs, or tax liens > \$2,500	
Prior GJGNY Loans	No customer will be eligible for a GJGNY Loan if the customer has a prior GJGNY Loan outstanding that is 30 days or more delinquent.	

[i](#) Debt-to-Income Ratio for applicants with a FICO of 720+ or with a loan amount <= \$5,000 will be calculated on stated income only

# Interest Rate Determination – Geographic Eligibility

- Housing and Urban Development Median Income Block Data
  - $\leq 120\%$  AMI for reduced interest rate (3.49%/3.99%)
- Interactive tool on NYSERDA website <https://www.nyserda.ny.gov/All-Programs/Programs/Residential-Financing-Options/Imi-search>
- Income documentation basis for customers outside designated areas
- 72% NYS households qualify under the geographic eligibility

# GJGNY Loan Data

- As of January 31, 2023
  - 37,443 loans with over \$458 million in principal issued
  - Outstanding balance of \$244 million
  - Delinquency (1-120 days past due) rate is 7.4% of current balance (\$18 million)
  - Charged off (>180 days past due, bankruptcy, death) rate is 3.06% of original principal (\$14 million)
  - Weighted Average Lifetime prepayment rate is 4.5%
  - GJGNY loans has generated:
    - over 6,317 MWh of produced solar,
    - 4,700 MWh in electric savings, and
    - over 344,000 MMBtu in fuel savings.



# GJGNY Administration

- Loans underwritten and originated by Slipstream/EFS
  - VelocityGo (on-line loan origination system)
- Loans serviced by Concord
  - Collections by Blackwell Recovery
- Currently 3 NYSERDA full time staff to manage program
  - OBR declarations/satisfactions
  - Bankruptcy, death, foreclosures,
  - Demand letters and Attorney General referrals
  - Liquidity/budgeting/bond issuances
  - Reporting